

News from Rep. Stephanie Herseth

For Immediate Release

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HERSETH AND JOHNSON INTRODUCE LEGISLATION TO PROTECT SOCIAL SECURITY INCOME

Rising Medicare Premiums Threaten to Completely Undermine Social Security COLA - Affects 1 in 6 South Dakotans

September 30, 2005, Washington, DC - South Dakota's Representative Stephanie Herseth and Senator Tim Johnson have introduced legislation to protect seniors' retirement income from skyrocketing health care costs. The bill, the Social Security Cost of Living Adjustment (COLA) Protection Act of 2005, ensures that no more than 25 percent of a beneficiary's annual COLA could be taken away by increases in Medicare Part B and D premiums. One in six South Dakotans depend on Social Security as part of their financial wellbeing.

Herseth said, "This is a striking flaw in the Medicare bill, and we need to make a correction. Without a legislative change, millions of retirees will see most or all of their COLA wiped out by increases in Medicare premiums and some could actually see their monthly checks shrink. Medicare and Social Security are the twin pillars of retirement security in our country. We should not give with one hand while we take with the other."

"In my home state, 1 in 6 people are Medicare beneficiaries. That represents 16% of our total state population. Many of these individuals live on modest fixed incomes and have to pay close attention to the checks they write and the groceries they buy every month. The seniors of my state are people that worked very hard all of their lives, as farmers, small business owners, teachers and parents. As they enter their golden years, they deserve to live with a basic level of comfort and certainty," Johnson said.

Each year, retirees living on income from Social Security can count on the fact that they will receive a modest COLA. It's not much, but it is enough to help those living on fixed incomes survive as the price of housing, clothes, food, energy and other goods go up. However, rising beneficiary costs for Medicare are eroding this benefit quickly. Over the last five years, monthly Medicare Part B premiums have nearly doubled. Recently, the Centers for Medicare and

Medicaid Services announced that Medicare beneficiaries will pay an additional 13 percent out of their Social Security Checks in 2006. This marks the third consecutive rise of more than 10 percent.

Johnson and Herseth's bill guarantees that Social Security recipients will retain at least 75 percent of their COLA to cover price increases in other goods and services, such as food, clothing, housing and energy costs.

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Congresswoman Stephanie Herseth serves South Dakota in the U.S. House of Representatives. She is a member of the Blue Dog Coalition, a group of moderate Democrats committed to fiscal discipline and strong national security, and is co-chair of the Rural Working Group, which is dedicated to raising the profile of issues important to rural America. She also serves on three committees vital to South Dakota's interests: Agriculture, Veterans' Affairs and Resources.